#### AUGUST 17, 1981

THE DIRECTOR OF THE DIVISION OF STATE LANDS TOOK FORMAL ACTION ON AUGUST 17, 1981, AT 10:00 A.M. IN THE STATE LAND OFFICE, ROOM 411, EMPIRE BUILDING, 231 EAST 400 SOUTH, SALT LAKE CITY, UTAH 84111, ON THE BELOW LISTED MINERAL AND SURFACE BUSINESS MATTERS AS INDICATED.

#### MINERAL LEASE APPLICATIONS

### OIL, GAS, AND HYDROCARBON LEASE APPLICATIONS - APPROVED

Upon recommendation of Mr. Blake, the Director approved the Oil, Gas and Hydrocarbon lease applications listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The applications have been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available.

Min. Lease Appl. No. 39297 Friar Oil Corporation P. O. Box 276

T13N, R17W, SLM Section 4: SW SWIANWA NW4SE4 Section 5: Lot 1

Box Elder 365.34 acres

Magna, UT 84044

Section 6: Section 9: NISNIS. SELINEL

NEINWI

Section 21:

DUE: \$6.00 (incorrect acreage)

Min. Lease Appl. No. 39299 Neva H. Henderson 607 Crandall Building Salt Lake City, UT 84101

T12N, R19W, SLM Section 2: Lots 1,2,3,4, S1/2, S1/2 (A11)

Box Elder 651.84 acres

METALLIFEROUS MINERALS LEASE APPLICATIONS - APPROVED

Upon recommendation of Mr. Blake, the Director approved the Metalliferous Minerals lease application listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The application has been checked by the Minerals Division and found to be in order. The land status has been examined and the lands found to be open and available.

Min. Lease Appl. No. 39294 Jerome B. Guinand 9018 So. Kings Hill Place

T40S, R6E, SLM Section 16: A 

Kane 640.00 acres

Sandy, UT 84092 GEOTHERMAL STEAM LEASE APPLICATIONS - APPROVED

Upon recommendation of Mr. Blake, the Director approved the Geothermal Steam lease application listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The application has been checked by the Minerals Division and found to be in order. The land status has been examined and the lands found to be open and available.

Min. Lease Appl. No. 39298 Elwood A. Gee 123 - 2nd Ave., #1104 Salt Lake City, UT 84103

T2OS, R7W, SLM Section 2: Lots 1,2,3,4, S1/2/12 E½SW4, SE4

Millard 1148.96 acres

T19S, R7W, SLM Section 36: N½, S½SW¼, SE¼

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### BUILDING STONE LEASE APPLICATIONS - APPROVED

Upon recommendation of Mr. Blake, the Director approved the Building Stone lease application listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The application has been checked by the Minerals Division and found to be in order. The land status has been examined and the lands found to be open and available.

Min. Lease Appl. No. 39300 T20S, R1E, SLM Sanpete Gunnison Irrigation Company Section 2: SE½NW¼, NE¼SW¾ 80.00 acres c/o Mr. Neil Nielsen Centerfield, UT 84622

# CLAY LEASE APPLICATIONS - APPROVED

Upon recommendation of Mr. Blake, the Director approved the Clay lease application listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The application has been checked by the Minerals Division and found to be in order. The land status has been examined and the lands found to be open and available.

Min. Lease Appl. No. 39296 T22S, R1W, SLM Sevier Western Clay Company Section 36: E½NE¼, E½SW¼, 198.73 acres P. O. Box 1067 SW¼SE¼ Aurora, UT 84620

REFUND: \$1.00 (incorrect acreage)

ML's 30087, 30200, 30441, 30972, 31248 - Coa

Mr. Langdon T. Owen, Jr. has submitted a request on behalf of his client. Carbonera Mining Company, that the Land Board approve the assumption of the above numbered leases by Carbonera, pursuant to the approved plan of arrangement originating from bankruptcy proceedings regarding Atlas Dirty Devil Mining, et al. Accordingly, Carbonera Mining Company will assume full liability under the mineral leases, together with a subletting of the mineral leases to Carbonera by Atlas Dirty Devil Mining Company, Atlas Resources, and Dirty Devil Mining Company.

A fee of \$10.00 per lease has been submitted, and I recommend that this assumption by and subletting to Carbonera Mining Company of the above numbered leases be approved by the Director of the Division of State Lands as a delegated responsiblity by the Land Board. The Division records should be amended accordingly.

Upon recommendation of Mr. Blake, the Director approved the above.

## CANCELLATION OF ML 37794 OIL, GAS, & HYDROCARBON

The above numbered lease was partially cancelled on March 30, 1981, for conflict with a Land Board oil and gas withdrawal of June 14, 1966. It has been discovered that the remaining acreage in the lease, namely:

T27S, R21E, SLM San Juan County Section 8: NaSela 80.00 acres

is also in conflict with a Land Board withdrawal dated June 8, 1967, as brought to our attention by the Lessee, Robert W. Adkins.

It is, therefore, recommended that the remaining portion of the lease, as described above, be cancelled and that Robert W. Adkins be refunded an additional \$170.00 for rentals and filing fees paid on this lease during the past two years.

(NOTE: The withdrawal in both instances has been entered on the plats to correct the oversight.)

Upon recommendation of Mr. Blake, the Director approved the above cancellation. 8/17/81 bp PAGE NO. 2

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## RELEASE OF BOND

ARKLA Exploration Company has satisfactorily completed and reclaimed all exploration work performed on its State mineral leases. I. therefore, recommend release of the following described bond which was posted to cover such work.

> Surety Bond #64-S-35843 The Aetna Casualty & Surety Company Statewide Bond: \$25,000

Upon recommendation of Mr. Blake, the Director approved the above release of bond.

## RELINQUISHMENT OF METALLIFEROUS MINERALS LEASE

Union Carbide Corporation, lessee under ML 34172, has filed a relinquishment of this lease. This lease should be terminated and the lands should be offered for lease by simultaneous filing.

Tation T32S, R24E, SLM.
Section 33: SW4, NE4
Section 34: W1NV4, NE4NW4 ML 34172 Union Carbide Corporation 440.00 acres San Juan

Upon recommendation of Mr. Prince, the Director approved the above relinquishment.

### RELINQUISHMENT OF METALLIFEROUS MINERALS LEASES

Atlas Corporation, lessee under these metalliferous minerals leases listed below, has filed relinquishments of these leases. These leases should be terminated. The leased lands are in the Deep Creek Mountains and would be in the area to be disposed of in Project BOLD. This matter should be presented to the Board of State Lands for consideration as to whether they should be withdrawn from mineral leasing until Project BOLD is complete.

ML 34546 Atlas Corporation Section 3: Section 4: Section 6: SE\sE\s Section 7: NE4SE4 640.00 acres Juah County

· Atlas Corporation ML 34547 ration <u>T11S,</u> Section 8: All R18W, SLM.

Section 9: All Section 17: W½SW¼ Section 18: S½, S½NW¼, W½NE¼

1840.00 acres Juab County

### DIVISION ORDER, ML 27026

Mountain Fuel Supply Company, lessee under ML 27026, has submitted a division order covering production from their Bug Well No. 4 in the  $SW_4$  of Sec. 16, T36S, R26E, SLM. This division order correctly sets out the interest of the State of Utah.

Upon recommendation of Mr. Prince, the Director accepted and executed the above Division Order.

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## REQUEST FOR EXTENSION OF DRILLING REQUIREMENT UNDER GEOTHERMAL STEAM LEASE ML 33566



Phillips Petroleum Company as lessee under the geothermal steam lease listed above, has requested a five-year extension in which to commence drilling operations under this geothermal steam lease. This lease was issued November 8, 1976, for a term of ten years. Section 10 of these leases provides as follows:

operations on a well at an appropriate location within the leasehold estate within five (5) years from the date hereof, and to prosecute the drilling with reasonable diligence until products are discovered in sufficient commercial potential, or to a depth below which further drilling would be unprofitable in the written opinion of the Lessee issued to the Lessor. Such five (5) year period may be extended by the Lessor for a period not to exceed five (5) years upon written application by Lessee showing good cause therefore not more than ninety (90) days nor less than thirty (30) days prior to expiration of the initial five (5) year period. At any time within said five (5) year period, Lessee may surrender its rights under this lease and agreement. Lessee also shall have the right to drill such well or wells on the leasehold estate at such location or locations deemed desirable by Lessee upon thirty (30) days notice in writing, which location or locations shall not unreasonably interfere with rights of holders of lease or leases and special use permits from the State of Utah. No well shall be drilled within 100 feet of the boundary line of the leasehold nor within 100 feet of any building on the surface of the leasehold without written permission of the Lessor.

Phillips Petroleum Company has been the company most active in geothermal exploration in Southwestern Utah.

It is the Staff's feeling that Phillips Petroleum Company has been diligent in conducting geothermal exploration on this lease listed above along with other lands held by that company; therefore, upon recommendation of Mr. Prince, the Director approved a five-year extension of the drilling requirements of this lease.

Upon recommendation of Mr. Prince, the Director approved the above extension.

### EXPIRATION OF OIL, GAS, AND HYDROCARBON LEASES

The oil, gas, and hydrocarbon leases listed below have reached the end of their terms and have expired. These leases should be terminated and the lands should be offered for lease by simultaneous filing.

Lease No.	Lessee	Description	<b>Expiration Date</b>
ML 27519	Texoma Production Co. et al	T16S, R20E, SLM. Sec. 36: All 640.00 acres Grand	July 31, 1981
ML 27619	Placid Oil Company	T20S, R1W, SLM.  Sec. 1: Lot 3, SE¼NW¼,  W½SW¼, SE¼SW¼  Sec. 2: SE¼NE¼, Tracts  17,18,19,20,22,  23,25,72 of the Piute Locathose parts of the W½SW¼,  SW¼NW¼ located west of the Canal and those parts of Tand 16 of the Piute Local Sec. 2.	and Piute racts 15

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bp

EXPIRATION OF OIL, GAS, AND HYDROCARBON LEASES - CONTINUED T20S, R1W, SLM. July 31, Sec. 11: Tracts 5,6,7,8,9,10,11,12, Placid Oil Company ML 27619 July 31, 1981 CONTINUED 13,14, of the Piute Local Survey and those parts of Tracts 3.4. 15, and 16 of the Piute Local Survey in Sec. 11. Tracts 63,64, and 65 of the Piute Local Survey. Sec. 12: Sec. 14: NE4SW4, and Tracts 1, 2, 73, 74, 75, 76, 77, 78, of Piute Local Survey and those parts of Tracts 3 and 4 of the Piute Local Survey in Sec. 14. 1725.45 acres Sanpete County T20S, R1W, SLM. Sec. 23: E½NW4, SW2SW4 Sec. 24: SW4SE4, S½NW4SE4, ML 27620 Placid Oil Company July 31, 1981 NISEISWIA, and beg at the NW cor of the NEWNWW of Sec. and running th E 40 chs; th S 13.33 chs; th W 40 chs; th N 13.33 chs to beg. Also, beg at the SE cor of the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Sec., th running N 39 rods; th W 80 rods; th S 39 rods, th E 80 rods to beq. Sec. 26: S½NW¼, W½SW¼, SE¼SW¼ Sec. 34: Lots 1,2, SE¼, S½NE¼ Sec. 35: Comm at the NE cor of Sec., th W 20 chs, th S 15 chs; th E 20 chs, th N 15 chs to pob. Sec. 36: Comm 75 rods and 5 ft E of the NW cor of Lot 4. th W 75 rods 5 ft, S 74 rods, E 77 rods, Northerly to beg. 858.47 acres Sanpete and Sevier Counties T21S, R1W, SLM.
Sec. 2: Lots 2,3, NW4SW4,
E1/2SW4, SE1/4NW4, ML 27621 Placid Oil Company July 31, 1981 SW4NE4, SE4 Sec. 3: SWISWI Sec. 9: Sec. 10: Sec. 16: Sec. 21: EIZSEIA, SEIANEIA SWIA, WIENWIA WIE, WIENEIA NW4NW4 1280.00 acres Sevier County T16S, R2E, SLM.
Sec. 2: Lots 4, 5, 6, 7
Sec. 3: Lots 5, 6, 12,

N<sup>1</sup>/<sub>2</sub>SW<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>, ML 27622 Placid Oil Company July 31, 1981 SW4SE4 Lots 2, 5, SW4NE4, Sec. 10: SEINWIA, NWIASWIA 593.30 acres Sanpete County ML 27623 Tom B. Boston T37S, R19E, SLM. Sec. 16: All July 31, 1981 640.00 acres San Juan County ML 27627 Marathon Oil Company T11S, R11E, S Sec. 32: All SLM. July 31, 1981

640.00 acres

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Duchesne County

EXPIRATION OF OIL, GAS, AND HYDROCARBON LEASES - CONTINUED						
ML 27628	Pennzoil Company	T11S, R10E, SLM.  Sec. 12: E½SE½, SWaSE½ Sec. 13: E½NW½, SWANE¼, SWANW¼, NWASW¼, SE½SE¼				
		Sec. 14: NEIANEIA Sec. 15: NWIANWIA, SEIANEIA,				
		NE4SW4 Sec. 22: NW4NE4, SE4SE4 Sec. 23: NE4NE4, N4SE4, SW4SE4				
		Sec. 24: W½NW¼, NE¾NE¾, SE¾, SE¾SW¾				
		Sec. 25: Nanea, Seanea, Easea, Swasea				
		Sec. 26: NW4, NE4SE4 1520.00 acres Duchesne County				
ML 27629	Marathon Oil Company	T11S, R11E, SLM. July 31, 1981 Sec. 16: All				
		640.00 acres Duchesne County				
ML 27630	The Superior Oil Co.	T11S, R10E, SLM. July 31, 1981 Sec. 36: All				
		636.10 acres Duchesne County				
ML 27635	Nicor Exploration Company et al	T19S, R21E, SLM. Sec. 32: All 640.00 acres Grand County				
		· ·				
ML 24128	Gulf Oil Corporation	T8S, R17E, SLM. Sec. 16: All 82.48 acres  Duchesne County				

### SURFACE BUSINESS MATTERS

### CANCELLATION OF SPECIAL USE LEASES



SULA NO. 507 Khosrow B. Semnani is being cancelled. Another location was selected. The fee of \$500.00 and the \$20.00 application fee were filed and there will be no money refunded.

SULA NO. 516 Khosrow B. Semnani is being cancelled. The land involved in the lease is being exchanged to Mr. Semnani and the \$20.00 application fee which was filed will be forfeited to the State.

Upon recommendation of Mr. Higgins, the Director approved the cancellation of the above special use leases.

### RIGHTS OF WAY KSC

### RIGHT OF WAY ENTRY No. 2193

Geophysical Service Inc., c/o David Ogden, P. O. Box 727, Richfield, UT 84701 regusts permission to conduct a seismic survey -- geophone and cable equipment across the following State lands:

Township 33 South, Range 2 West, SLB&M Section 33 Garfield County

The fee for a seismic survey -- geophone and cable equipment is \$50.00 flat fee, plus a \$20.00 application fee totaling \$70.00; school fund. Upon recommendation of Mr. Carter the Director approved the above right of way entry with a September 30, 1981 expiration date.

### GRAZING PERMITS KSC

### GRAZING PERMIT APPLICATION

GL 21763 Glen Heppner Riverdale Co., Inc. P. O. Box 435 7070 North Winton Way Winton, CA 95388

10,553.36 Acres 10 ¢ per acre per annum 10 Years Kane County

<u>Jan. 1, 1980</u> Beginning Date Fund <u>School</u> Fee \$1,055.34 Total\$1,065.34

Township 36 South, Range 6 East, SLB&M Section 36: All Kane County Township 36 South, Range 7 East, SLB&M Section 2: All Kane County Section 16: All Section 32: All Section 36: All Township 37 South, Range 6 East, SLB&M Section 2: All Kane County
Township 37 South, Range 7 East, SLB&M
Section 2: All Kane County Kane County Section 16: All Township 38 South, Range 8 East, SLB&M Section 32: All Section 36: All Kane County Township 38 South, Range 9 East, SLB&M Section 16: All Kane County Section 32: All Section 36: All 8/17/81

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#### GRAZING PERMITS - continued

### GRAZING PERMIT APPLICATION - continued

GL 21763 - continued

Township 38½ South, Range 10 East, SLB&M Section 32: All Kane County Township 39 South, Range 8 East, SLB&M Section 16: N<sup>1</sup>/<sub>2</sub> Kane County Township 39 South, Range 9 East, SLB&M Section 2: All Kane County

Section 16: All

Upon recommendation of Mr. Carter, the Director approved the above grazing permit application.

### SPECIAL USE LEASES KSC

### REINSTATEMENT OF SPECIAL USE LEASE No. 177

The Division of State Lands canceled this lease on September 8, 1980 for non-payment. Further investigation revealed that this was an error on our part. DOE has given notice of intent to pay current and back rent of \$412.00 to bring this lease up to date and maintain said lease through June 30, 1982.

recomendation of Mr. Carter, the Director approved the above Upon reinstatement.

### RIGHTS OF WAY - RIGHT OF ENTRY No. 2161 - Extension of Time

Conoco, Inc., c/o Douglas C. Henstra, P. O. Box 241, Roy, UT 84067 has requested an extension of time on a seismic survey - vibroseis method issued June 22, 1981 across the following State lands:

#### Township 25 South, Range 7 East, SLB&M Section 2: N/2 Emery County

An extension of time to September 30, 1981 for completion of this work is considered adequate. Upon recommendation of Mr. Pratt, the Director approved the above extenstion of time.

## GRAZING PERMIT APPLICATIONS LAB. 970

GP # 21762 Russell Christensen and Mike Christensen P.O. Box 70 Heber City, Utah 84032

2760 Acres \_\_\_\_\_23 cents per acre per annum \_\_\_10 Years Millard County

January 1, 1981 Beginning Date Fund School Fee \$634.80 Total \$644.80

Township 17 South, Range 17 West, Section 32: S 1/4 Millard 0 Millard County

Township 18 South, Range 17 West, SLB&M Section 2: W½, W½ E½, NE¼ NE¾ Section 16: All

Section 32: A11 Section 36:

Upon recommendation of Mr. Brown, the Director approved the above Grazing Permit application.

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### MINERAL LEASES TO BE CANCELLED

The following leases are to be cancelled due to non-payment of 1981 rental. Certified notices were mailed.

NAME	ACCOUNT NO.	TYPE
ABKO Inc.	ML 28271	OG&H
Cevin Co.	ML 28272	OG&H
ABKO Inc.	ML 28274	0G&H
Chevron USA Inc.	ML 28277	OG&H
Glade J. Wasden et al	ML 31554	Coal
Raymond Chorney	ML 33250	met.
Raymond Chorney	ML 33251	Met.
Raymond Chorney	ML 33252	Met.
National Park Service	ML 35802	Sand & Gravel
Cotter Corp.	ML 36801	Met.
Cotter Corp.	ML 36803	Met.
Cotter Corp.	ML 36806	Met.
Cotter Corp.	ML 36807	Met.
Cotter Corp.	ML 36808	Met.
Cotter Corp.	ML 36809	Met.
Cotter Corp.	ML 36811	Met.
Cotter Corp.	ML 36812	Met.
Cotter Corp.	ML 36813	Met.
Getty Oil Co.	ML 36823	Met.
Helen Adkins	ML 38281	OG&H
Michael J. Van Wagoner	ML 38282	Met.

Upon recommendation of Mr. Miller, the Director approved the above mineral leases to be cancelled.

A refund of \$329.60 is due O'Brien Resources Corp. for 1979 and 1980 rental on ML 33424. This mineral lease is in the name of Amax Petroleum Corp. O'Brien Recources Corp. paid the rental thinking they were getting an assignment from Amax, however, Amax had relinquished the lease by letter September 4, 1979.

Upon recommendation of Mr. Miller, the Director approved the above refund.

INTEREST RATES	CURRENT	YEAR AGO
Prime Rate Federal Funds Discount Rate	20-1/2 9-1/2	11-1/2 13-7/8

VILLIAM K. DINEHART, DIRECTOR DIVISION OF STATE LANDS AND FORESTRY

ARCHIVES APPROVAL NO. 7900209

8/17/81

bp